



# Biotech Daily

Wednesday August 23, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: BIONOMICS UP 11%, SIRTEX DOWN 10.5%**
- \* **CLARIFICATION: PHOSPHAGENICS**
- \* **SIRTEX REVENUE UP 1% to \$237m, PROFIT DOWN 21% TO \$42m**
- \* **OPTISCAN UNDERWRITTEN PLAN, PLACEMENT FOR \$5m**
- \* **NOVITA RIGHTS ISSUE RAISES \$1m, TAKES TOTAL TO \$3.5m**
- \* **ACRUX REVENUE DOWN 16% TO \$24m PROFIT TO \$243k LOSS**
- \* **IDT CONTINUING REVENUE UP 25% TO \$9.5m, LOSS DOWN 81% TO \$773k**
- \* **IMPEDIMED REVENUE UP 3% to \$6m, LOSS UP 6% TO \$28m**
- \* **OBJ REVENUE UP 29% TO \$2m, LOSS UP 56% TO \$5.5m, SKII IN JAPAN**
- \* **NOXOPHARM TAKES 'CAPITAL RAISING' TRADING HALT TO SUSPENSION**
- \* **CYNATA: 'CYMERUS CELLS BEAT STEROIDS FOR ASTHMA IN MICE'**
- \* **MGC SIGNS RMIT MEDICAL MARIJUANA DEAL**
- \* **AUSTRALIAN PATENT FOR OBJ 'PERSONALIZED TRANSDERMALS'**
- \* **GI DYNAMICS APPOINTS JULIET THOMPSON DIRECTOR**
- \* **RESAPP APPOINTS DR PHILIP CURRIE ADVISOR**
- \* **NUHEARA APPOINTS GR MEDIA SOLUTIONS FOR MIDDLE EAST, AFRICA**

## MARKET REPORT

The Australian stock market fell 0.22 percent on Wednesday August 23, 2017 with the ASX200 down 12.9 points to 5,737.2 points. Thirteen of the Biotech Daily Top 40 stocks were up, 19 fell, five traded unchanged and three were untraded.

Bionomics was the best on no news, up five cents or 11.1 percent to 50 cents with 1.2 million shares traded. Reva climbed 9.5 percent; LBT and Polynovo improved more than five percent; Admedus, Compumedics, Osprey and Resmed rose more than two percent; Cyclopharm, Factor Therapeutics, Oncosil, Orthocell and Viralytics were up more than one percent; with Clinuvel and CSL down by less than one percent.

Sirtex led the falls, down \$1.70 or 10.5 percent to \$14.56 with 1.25 million shares traded. ITL and Neuren lost more than five percent; Opthea and Prima fell more than four percent; Acrux, Actinogen, Cellmid, Mesoblast and Prana were down more than three percent; Airxpanders, Pharmaxis and Universal Biosensors shed more than one percent; with Cochlear, Impedimed, Medical Developments, Nanosonics, Pro Medicus, Psivida and Starpharma down by less than one percent.

## PHOSPHAGENICS

Last night's edition reported that Terumo had decided not to progress two Phosphagenics TPM-enabled patches in parallel, rejecting the TPM-oxycodone patch.

The sub-editor believed the sentence in the media release was ambiguous but was not able to clarify it with the company at that time.

Today, Phosphagenics chief executive officer Dr Ross Murdoch told Biotech Daily that said that oxymorphone was "a stronger fit for their portfolio plans" and rejected oxycodone.

Dr Murdoch said that "the partnership around a TPM-propofol injectable continues to progress well" with a total of four projects underway: oxymorphone, propofol and two undisclosed early projects.

The Tuesday sub-editor was confused by the array of projects and has been dismissed. Phosphagenics fell 0.3 cents or 14.3 percent to 1.8 cents.

## SIRTEX MEDICAL

Sirtex says record revenue for the 12 months to June 30, 2017 was up 0.9 percent to \$236,927,000 with "underlying" net profit after tax down 20.9 percent to \$42,382,000

Sirtex published a headline loss of \$26,257,000, including accountancy measures writing off intangible assets, impairment for the write-off of receivables and restructuring costs.

The company said that dose sales of its radioactive SIR-spheres for liver cancer increased 5.4 percent to a record 12,578 doses, with sales revenue up 0.8 percent to \$234,282,000.

Sirtex included "constant currency" measures which recalculated the revenue, adjusted for fluctuating foreign exchange rates and said that most of its sales were denominated in US dollars and Euro. Biotech Daily reports actual revenue and not imaginary revenue.

Sirtex chief executive officer Andrew McLean said that dose sales increased in the Americas by 4.6 percent to 8,807 doses; Europe, the Middle East and Africa sales were up 5.9 percent to 2,677 doses; and Asia Pacific up 11.3 percent to 1,094 doses.

Mr McLean said that revenue increased in the Americas by 0.9 percent to \$186.9 million; Europe, the Middle East and Africa fell 1.6 percent to \$38.3 million; and Asia Pacific was up 8.6 percent to \$9.1 million.

Last year, then Sirtex chief executive officer Gilman Wong said the company expected a "double-digit" increase in dose sales in the coming financial year, later revised down to four to six percent for the six months to December 31, 2016 (BD: Aug 24, Dec 9, 2016).

Today, Mr McLean said the outlook for the coming financial year was "similar" to the year to June 30, 2017, but declined to provide any outlook assessment.

Sirtex chief financial officer Darren Smith said that sales and marketing expenditure was up 12.5 percent to \$89,281,000, with research and development costs up 5.1 percent to \$11,865,000, but the clinical investment of \$24,852,000 was expected to face a "material reduction" in the coming financial year.

The company said that an unfranked dividend of 30.0 cents a share would be paid for shareholders on the record date of September 27 on October 18, 2017, the same amount as last year's partly-franked 30.0 cents dividend.

Sirtex said net tangible asset backing per share was up 50.4 percent to \$2.437.

Mr Smith said that underlying earnings per share not including accountancy measures was 73.5 cents, down 21.6 percent from last year's 93.7 cents, with a loss per share of 45.5 cents, including the accountancy measures.

The company said it had in cash and cash equivalents of \$50,349,000 at June 30, 2017, compared to \$21,025,000 at the end of the previous financial year.

Sirtex fell \$1.70 or 10.5 percent to \$14.56 with 1.25 million shares traded.

### OPTISCAN IMAGING

Optiscan says it hopes to raise \$5 million in a \$2.5 million underwritten share plan and \$2.5 million placement at eight cents a share.

Optiscan said that the share plan was fully underwritten by Paterson Securities, which was also the lead manager to the offer.

The company said it had commitments from professional and sophisticated investors for \$1 million in the placement, which would follow completion for the share plan.

Optiscan the funds would be used to meet orders from partner Carl Zeiss Meditech, meet the expected product demand for its Viewnivo systems, fund sales and marketing costs as well as research and development activities and working capital.

Optiscan chief executive officer Archie Fraser said that capital raising would "provide sufficient funding for the company to be able to carry out its objectives over the coming year whilst it progresses the current partnership with Carl Zeiss".

The company said the share plan record date was August 22, the plan would open on August 29 and close on September 22, 2017.

Optiscan fell 1.1 cents or 11.8 percent to 8.2 cents.

### NOVITA HEALTHCARE (FORMERLY AVEXA)

Novita says it has raised \$1,17,498 in its one-for-six rights issue at three cents a share taking the total raised with its previous placement to \$3.5 million (BD: Jul 12, 2017).

Novita said it had applications from 336 shareholders for 20.7 million shares raising \$621,233 and the shortfall of 13.2 million shares was placed with institutional and sophisticated investors, raising a further \$396,265.

The company said the proceeds would fund the growth of the Newly acquisition as well as the Tali attention deficit disorder technology.

Novita was up 0.3 cents or 10.7 percent to 3.1 cents with two million shares traded.

### ACRUX

Acrux says that revenue for the year to June 30, 2017 fell 16.2 percent to \$23,934,000 taking last year's net profit of \$12,981,000 to a \$243,000 loss.

Acrux said that net sales of Axiron for the year amounted to \$US143.0 million compared to the previous year's \$US149.3 million and were not impacted by generic competition, but royalty revenue fell 9.9 percent to \$22.8 million, with no milestone payment from Gedeon Richter Plc for the Lenzetto estradiol product for menopause, known as Evamist in the US.

The company said that expenses of \$24,028,000 compared to the previous year's \$10,465,000 included a non-cash, pre-tax loss of \$10,680,000 for the impairment of Axiron capitalized development costs and operational expenditure of \$13,348,000.

Acrux said the impairment loss was a result of a re-assessment of the estimated future discounted cash flows from Axiron using market data for testosterone in the US.

Acrux said the increase in operational expenditure was due to progress of, and increased investment, in research and development to commercialize topical generic opportunities.

The company said that net tangible asset backing per share was up 46.7 percent to 22 cents and last year's diluted earnings per share of 7.8 cents turned to a 0.15 cents loss per share.

Acrux said it had the company had \$33,974,000 in cash and cash equivalents at June 30, 2017, compared to \$29,360,000 at June 30, 2016.

Acrux fell one cent or 3.9 percent to 24.5 cents.

### IDT AUSTRALIA

IDT says revenue for the 12 months to June 30, 2017 was up 25.4 percent to \$9,543,000, with net loss after tax down 80.7 percent to \$773,000.

Last year, IDT reported revenue including the CMax clinical trials business of \$16,914,000 for the 12 months to June 30, 2016, with net loss after tax of \$4,006,000.

Today, the company said it had received a final payment for CMax of \$6,159,892 from Japan's Irom Group taking the total payment to \$16,159,892.

The company said that diluted loss per share fell 84.2 percent to 0.3 cents and it had cash and equivalents of \$13,246,000 at June 30, 2017 compared to \$21,000 at June 30, 2016, with a further \$6,159,000 in "assets classified as held for sale".

IDT was up half a cent or 2.4 percent to 8.4 cents.

### IMPEDIMED

Impedimed says revenue for the year to June 30, 2017, was up 3.1 percent to \$6,133,000 with net loss after tax up 6.1 percent to \$27,571,000.

Impedimed chief executive officer Richard Carreon said that medical revenue increased 17 percent to \$4.8 million including oncology related revenue up 22 percent to \$3.9 million.

Mr Carreon said that as the company's Sozo was rolled out and private payers came on board the medical facilities currently using the L-Dex U400 system would broaden the use of the L-Dex system.

The company said that diluted loss per share fell 12.5 percent to 7.0 cents at June 30, 2017 with net tangible assets per share down 31.8 percent to 15 cents and it had cash and cash equivalents of \$54,884,000 at June 30, 2017 compared to \$82,254,000 at June 30, 2016.

Impedimed fell half a cent or 0.8 percent to 63 cents.

### OBJ

OBJ says that revenue for the year to June 30, 2017 was up 29.2 percent to \$1,966,000, with net loss after tax up 55.8 percent to \$5,537,000.

OBJ said that operational revenue primarily came from a single source, with standstill and licence fees received from Proctor & Gamble for the inclusion of its technology in cosmetic products.

The company said that its net tangible assets per share fell 21.95 percent to 0.32 cents at June 30, 2017, with diluted loss per share up 55.0 percent to 0.31 cents.

OBJ said that it had cash and cash equivalents of \$5,373,442 at June 30, 2017 compared to \$7,334,205 at June 30, 2015.

Separately, OBJ said that Proctor & Gamble brand SK-II has begun retail sales of the SK-II Magnetic Booster using its microarray technology in Japan.

The company said that a roll-out was planned for Singapore, China, Taiwan, Hong Kong, Malaysia and Indonesia between now and November 2017.

OBJ fell 0.3 cents or 6.1 percent to 4.6 cents with 4.5 million shares traded.

### NOXOPHARM

Noxopharm has requested a voluntary suspension, to follow a trading halt pending the release of an announcement "regarding a proposed capital raising" (BD: Aug 21, 2017).

Noxopharm last traded at 43 cents.

## CYNATA THERAPEUTICS

Cynata says its Cymerus mesenchymal stem cells show “highly promising” efficacy data in a second mouse study for study.

Cynata said that Melbourne’s Monash Lung Biology Network studied Cymerus stem cells in combination with or in comparison to the corticosteroid dexamethasone, which was commonly used to treat exacerbations of asthma in humans.

The company said that, as expected, intra-nasal treatment with dexamethasone alone significantly improved airway hyper-responsiveness compared to untreated controls ( $p < 0.05$ ), but treatment with either Cymerus alone, or Cymerus with dexamethasone, resulted in a substantially greater suppression of airway hyper-responsiveness, which was significantly superior to that seen with dexamethasone treatment alone ( $p < 0.01$ ).

Cynata said that a previous study which found that both intravenous and intr-nasal administration of Cymerus caused statistically significant improvements in the three main asthma features of airway hyper-responsiveness, inflammation and airway remodelling (BD: Mar 2, 2017).

The company said that intra-nasal delivery of Cymerus “completely reversed pathologic collagen deposition” a sign of airway remodelling and fibrosis.

Cynata said that Monash Lung Biology Network studies found that other types of stem cells did not have similar effects to Cymerus, unless used in combination with other drugs. Monash Prof Chrishan Samuel said it was “very striking that Cymerus [stem cells], whether alone or in combination with dexamethasone, had a significantly greater effect on decreasing [airway hyper-responsiveness] in this model than dexamethasone alone”.

“We are now conducting further analyses on the effects of these cells on other features of the disease process including inflammation and airway remodelling,” Prof Samuel said.

Cynata head of product development Dr Kilian Kelly said the findings raised the possibility that Cymerus stem cells might have “superior efficacy to corticosteroids in some asthma patients, in addition to offering a way to treat this condition without the side-effects and/or resistance associated with steroid therapy”.

“It was important to show that Cymerus [cells] can be administered in combination with corticosteroids, especially in the context of initial clinical trials, in which most patients are likely to be undergoing corticosteroid treatment at the time of enrolment,” Dr Kelly said. Cynata was up four cents or 7.3 percent to 59 cents.

## MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC says it has signed a medicinal cannabis research agreement with the Royal Melbourne Institute of Technology (RMIT) (BD: May 2, 2017).

MGC said that RMIT would dedicate one of its research facilities and laboratories to the project that is expected to run for a minimum of five years.

This company said that two projects would begin “what is expected to be a broad ongoing collaboration between the parties”.

MGC said that the first project aimed to establish a library of cannabis medicine containing details on medical cannabis clinical research, cannabinoids sequences and treatments.

The company said that the second project would investigate the positive effects of medicinal cannabis-derived formulations on several types of cancer and cancer side effects, with an initial focus on melanoma treatment, beginning with pre-clinical trials, once a cultivation licence was obtained.

MGC said that it would fund the research and it would own all intellectual property resulting from the trials.

MGC was up 0.1 cents or 2.3 percent to 4.5 cents with 3.7 million shares traded.

## OBJ

OBJ say the Australian Patent Office has issued patent covering its personalization technology.

OBJ said that the patent, entitled 'A device, system, method, computer programs and data signal for the control of a transdermal delivery device' covered the technology until June 17, 2031.

The company said that the initial focus of the patent would be on skincare, but it was working on the "implementation of this technology across the musculo-skeletal, haircare, deodorant and anti-perspirant sectors".

OBJ managing-director Jeffrey Edwards said the patent "combines a number of key intellectual property assets in a single patent directed at a growth sector of the consumer healthcare market".

"The personalisation patent brings together OBJ's programmable array technology and its software system that enables consumers to select specific functions and benefits according to their individual needs," Mr Edwards said.

"OBJ's personalization provides the consumer the ability to control skin penetration of selected active ingredients through a simple to use graphical interface running on a smart phone, laptop, tablet or other connected device," Mr Edwards said.

## GI DYNAMICS

GI Dynamics says it has appointed London-based accountant Juliet Thompson as a non-executive director, effective immediately.

GI Dynamics said that Ms Thompson was a director of Nexstim and diagnostic company Novacyt SA, and was currently the chair of the, UK-based Premier Veterinary Group Plc. The company said that Ms Thompson had advised and raised capital for healthcare companies for more than 20 years and founded Code Securities, a healthcare investment banking firm that was sold to Nomura, where she continued as head of corporate finance and managing director of Nomura Code.

GI Dynamics said that recently Ms Thompson led European health care at Stifel.

GI Dynamics was up 0.3 cents or 7.1 percent to 4.5 cents.

## RESAPP HEALTH

Resapp says it has appointed Dr Philip Currie to its scientific advisory board.

Resapp chief executive officer Dr Tony Keating said that Dr Currie had experience in medical research at US hospitals and would provide "invaluable clinical expertise as we move forward with paediatric and adult clinical studies this US winter".

The company said Dr Currie had more than 35 years in cardiology in the US and Australia with experience in medical research, clinical cardiology and business.

Resapp said that Dr Currie completed his medical residency and cardiology fellowship at Melbourne's Alfred Hospital, followed by cardiology fellowship and staff cardiologist appointment at the Mayo Clinic and was a staff cardiologist at the Cleveland Clinic for three years, followed by eight years as Michigan Heart and Vascular Institute's director of echo-cardiography and had been a principal investigator on multiple clinical studies.

The company said that Dr Currie held a Bachelor of Medicine and Bachelor of Surgery from Monash University and a Master of Business Administration from the University of Michigan.

Resapp was up 0.1 cents or 1.6 percent to 6.5 cents with 11.6 million shares traded.

## [NUHEARA](#)

Nuheara says it has appointed the Dubai, United Arab Emirates-based GR Media Solutions to service retail partners in the Middle East and Africa.

Nuheara was unchanged at 7.3 cents with 6.2 million shares traded.